



INTRODUCTION

Michael J Lonsdale Limited and its affiliates¹, (“the Company”) is committed to conducting its business in accordance with applicable laws and to the highest ethical standards. To that end, the Company does not and will not condone bribery or corrupt activity in the course of its business and will actively avoid doing business with others who do not commit to conducting business without bribery and corruption.

This Anti-Bribery and Corruption Policy (“the Policy”) is to be applied rigorously in all of the Company’s business dealings and should be adhered to by all the Company’s employees, agents, contractors and other third parties who provide services for, or on behalf of, the Company.

¹ Affiliated companies of Michael J Lonsdale Limited include Michael Lonsdale Limited, Michael J Lonsdale (Electrical) Limited and Redworx, which together comprise the Michael Lonsdale Group.

CONTENTS

SECTION 1 ANTI-BRIBERY AND CORRUPTION POLICY

What is bribery?	6-9
Who needs to comply with this policy and why?	10-13
What is a bribe?	14-19
This policy in practice	20-27
Operational issues Annex A	28-33
Annex B	34 35

SECTION 2 PROCEDURES ON GIFTS AND HOSPITALITY, TRAVEL AND ACCOMMODATION

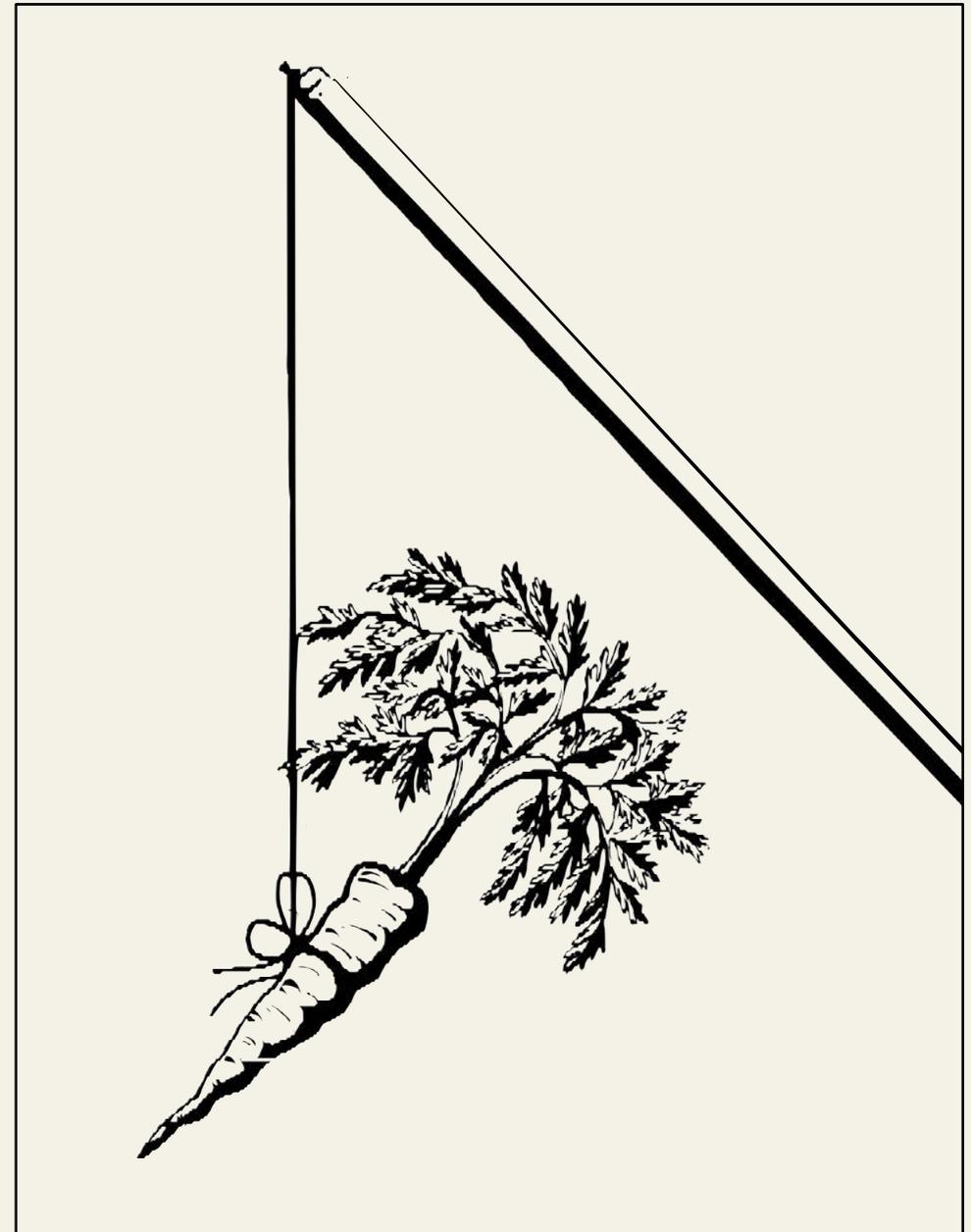
What gifts, entertainment and meals are always unacceptable?	36-39
What gifts, hospitality, travel and accommodation require prior approval?	40-41
How do I obtain the appropriate approval?	42-43
What should I do if I receive impermissible entertainment or meals?	44
What should I do if I receive a cash gift or other gift in excess of the maximum limit?	45
When are cash gifts or other gifts over the maximum limit allowed?	46
What should I do if I receive impermissible entertainment or meals?	47

WHAT IS BRIBERY?

New legislation in the UK, The Bribery Act 2010 (“the Act”), which came into force on 1 July 2011, directly affects all businesses with operations in the UK. It also regulates the conduct of individuals, including the Company’s employees and other representatives.

The Act introduces a suite of new bribery offences. Pursuant to the Act not only is it an offence to offer, promise or give a bribe, it is also an offence to request, agree to receive or accept a bribe. These offences may be committed in both the public and private sectors and, due to the Act’s wide extra-territorial reach, it may apply to conduct both within the UK and overseas. In addition, the Act introduces a wholly new offence which may result in liability for a business if it fails to prevent bribery by its employees or those persons who are providing services on its behalf.

It should be noted that an offence may be committed by simply offering or requesting a bribe. Furthermore, an offence may also be committed even if the bribe is not given directly to the person whose conduct is sought to be influenced; it is sufficient if it is given to a third party (for example, an associate or family member) at the direction or with the acquiescence of the person whose conduct is sought to be influenced or rewarded.



offering or requesting a bribe.

WHO NEEDS TO COMPLY WITH THIS POLICY AND WHY?

Compliance with this Policy is mandatory for all directors and employees (whether permanent or temporary) of the Company (collectively referred to as “Company Personnel”). Importantly, it should also apply to all agents, contractors and other third parties who provide services

for or on behalf of the Company.

Company Personnel who act contrary to the requirements of this Policy will face disciplinary action which may result in dismissal. Anyone who commits a bribery offence may also face prosecution and, if convicted, may face up to 10 years imprisonment and/or a fine.

This Policy describes a number of situations in which a suspicion of bribery might arise. Company Personnel must immediately report any suspicions or knowledge of behaviour which contravenes the provisions of this Policy, however insignificant it may appear, to Gary Herbert on 0845 241 6622.

Any person reporting such matters in good faith will not suffer any detriment for doing so, nor for refusing to pay a bribe, even if such a refusal results in the Company losing business.



Compliance with this Policy is mandatory for all directors and employees

WHAT IS A BRIBE?

A bribe can take a variety of different forms – it is not limited to cash or cash equivalent. Depending on the circumstances, in some cases, certain activity might be mistaken for a normal part of a business, but if it is offered or requested with the intention or expectation that improper conduct would occur as a consequence of it, it may constitute a bribe.

By way of illustration, the following are examples of situations in which bribery concerns will arise:

- i** cash or cash equivalents (for example, gift vouchers or securities) are offered or requested by a representative of an organisation with whom the Company conducts business;
- ii** a loan is offered or requested by a representative of an organisation with whom the Company conducts business – the loan need not be to a person whose conduct is sought to be influenced or rewarded; it may be made to a third party (for example an associate or family member);



A bribe can take a variety of different forms – it is not limited to cash or cash equivalent.

- iii the giving or receiving of gifts valued in excess of applicable limits (for example, laptops, mobile phones, cameras) to or from an actual or prospective customer, client or business partner of the Company;
- iv lavish or extravagant corporate hospitality, or hospitality which although of a lower value is offered frequently and involves the same guests;
- v the provision of favours (for example, job offers, internships or work experience; the use of a holiday home) requested or offered by a person for their benefit or the benefit of their associates or family members;
- vi charitable contributions or donations to political parties or candidates for political office which are solicited by a third party who is connected with an actual or prospective client, customer or business partner of the Company.



THIS POLICY IN PRACTICE

i **Facilitation payments:** “facilitation” or “grease” payments are small payments made to low level Public Officials to expedite or secure the performance of a routine non-discretionary government action. Such payments are most common in third world or developing economies, but may still arise in the course of the Company’s current or future business operations. Such payments are contrary to the anti-corruption laws of many countries, including the UK. Consequently, facilitation payments should not be made, save in circumstances that involve an imminent and credible threat to the health, safety or well being of one or more of the Company’s Personnel or a family member of such person(s). In such a case of emergency, the payment must be promptly reported to the Approval Board², giving full details of the circumstances and amount of the payment.

ii **Gifts and hospitality:** bona fide hospitality and promotional or other business expenditure which seeks to improve the image of the Company, better present its products or services or establish cordial relations, is an established and important part of doing business and is not criminalised by the Act.

Low value gifts (for example, items bearing the corporate logo or promotional material such as calendars) and hospitality (for example tickets to cultural or sporting events) may be offered or accepted provided (a) they are not intended to influence nor could be perceived as being capable of influencing the recipient to act improperly; (b) do not place the recipient under any obligation; and (c) are commensurate with the reasonable and proportionate norms for the particular industry in which the Company is operating.

Whilst most gifts and hospitality are sufficiently modest in value and in the ordinary course of business that they do not require prior approval, the giving or receiving of unusually lavish or extravagant gifts or hospitality are prohibited unless prior written approval has been received in accordance with the Company’s procedures which are available on the Company’s intranet.

² Members of the Approval Board are Michael J Hoodless,

Group Chairman, and Gary A Herbert, Group Managing Director.

Many organisations with whom the Company conducts business have restrictions on the value of gifts or hospitality which its representatives may accept. To offer or give, request or accept, gifts or hospitality in excess of these restrictions may constitute a bribery offence; consequently Company Personnel should ensure that any applicable restrictions are not exceeded or, if it is likely that they will be, to seek further guidance from the Approval Board.

Any hospitality at which at least one representative of the host is not present should be avoided; in such circumstances, the hospitality will be considered “a gift” and subject to the requirement for prior written approval applicable to gifts.

If Company Personnel offer or receive a gift or hospitality valued in excess of the limits set out in the Company’s procedures, they must immediately inform their line manager in writing, who will consult as appropriate and determine what (if any) further action should be taken.



Travel and accommodation: the provision of travel and accommodation to an existing or prospective client, customer or business partner of the Company or the reimbursement of travel and accommodation expenses incurred by such a person which do not form a part of an existing contractual arrangement, should only be made if authorised by the Approval Board. If a third party is to be reimbursed for travel and accommodation expenses, Company Personnel must ensure, wherever possible, that these expenses are paid directly to the provider of the service in question.

If this is not possible or appropriate, then such reimbursement should only be made against the production of invoices or other documentation evidencing the expenditure.

The provision of travel or accommodation and the reimbursement of expenditure incurred might relate to a visit to an ongoing project, or attendance at a conference, training or entertainment event sponsored by the Company.

They do not include the payment of *per diem* expenses (lump sum allowances where no justification of expenditure is required). Particular care should be exercised in relation to such expenses where travel is to occur outside the normal working week.

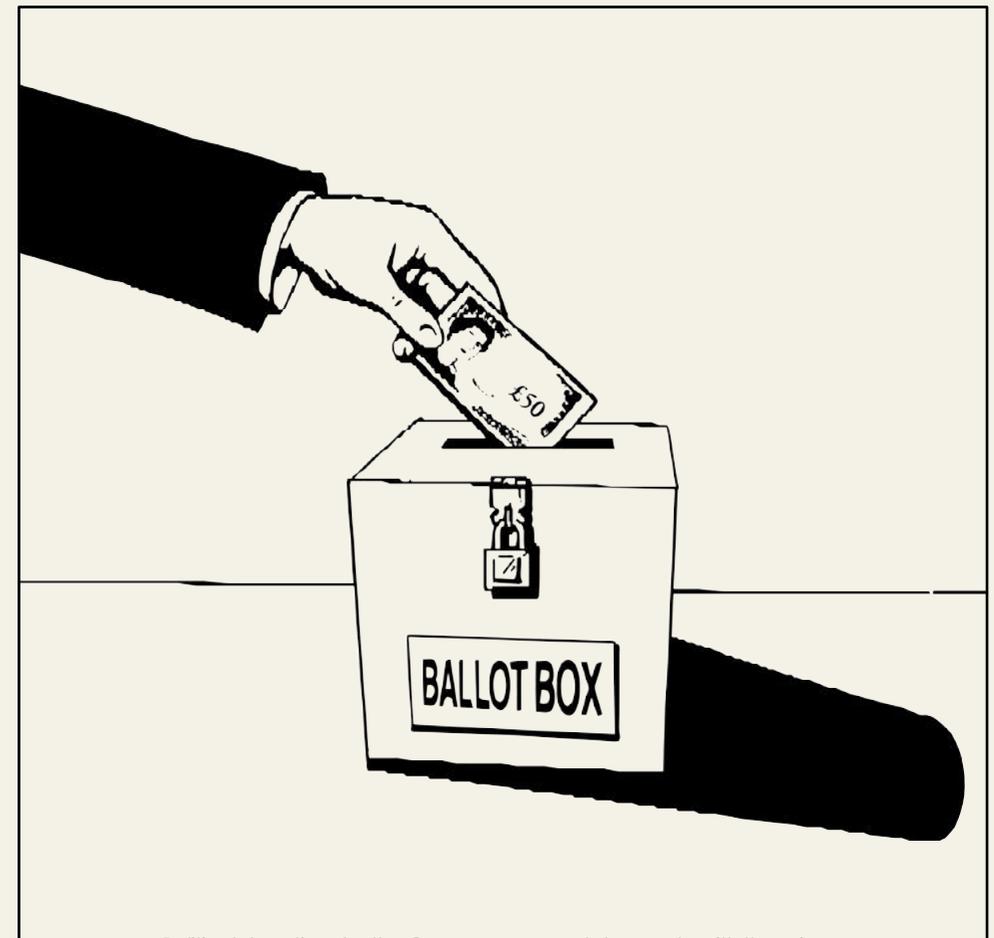
iv Charitable contributions: all charitable contributions to be made on behalf of the Company require prior written approval of the Approval Board.

A charitable contribution includes not only a direct payment to a charity, but also the sponsorship of individuals undertaking an activity to raise money for a charity.

Charitable contributions which are to be made by the Company must only be given to purely charitable organisations for proper charitable purposes; in no circumstances should a contribution intended for charity be made to an individual rather than the charity which the Company is supporting.

v Political donations: political donations by the Company may only be made with the prior written approval of the Approval Board.

Political donations include donations made to a political party, to any other political organisation (an organisation which carries on or proposes to carry on activities that could be reasonably regarded as intended to affect public support for any political party) or to a candidate for political office.



Political donations by the Company may only be made with the prior written approval of the Approval Board.

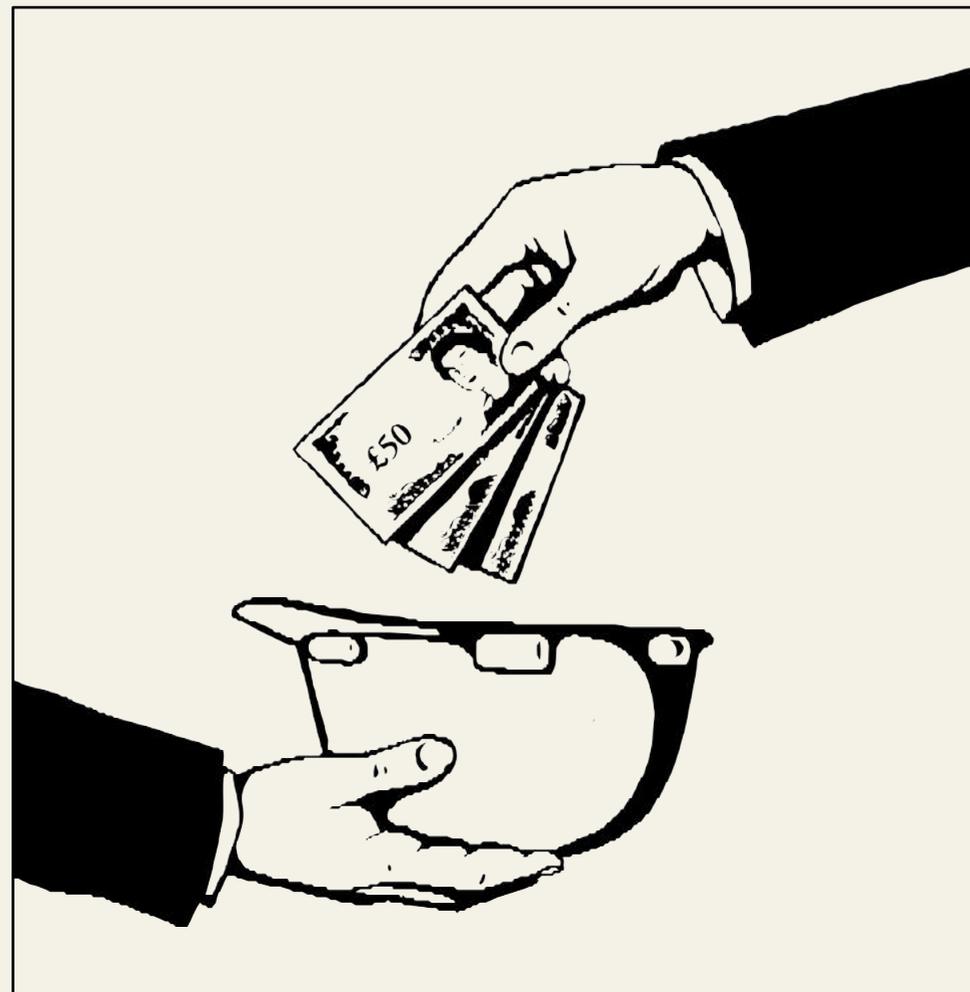
OPERATIONAL ISSUES

i Agents, contractors and other third parties: those agents, contractors and other third parties who commit a bribery offence in the course of providing services for or on behalf of the Company may expose the Company to the risk of prosecution for an offence contrary to the Act.

Consequently such persons should be made aware of this Policy and required to provide a written confirmation that they will act in accordance with it and/or they operate an anti-bribery and corruption policy of their own which is no less stringent than this Policy.

ii Due diligence: whenever the Company intends to engage a third party (for example, an agent, consultant or joint venture entity) to provide services for or on its behalf, a due diligence review must (unless the third party is a well known professional firm or household name) be carried out before the business relationship is formed. Where appropriate this should include a consideration of the reputation, beneficial ownership, professional capability, experience, financial standing and credibility of the third party and the history of that third party's compliance with applicable anti-corruption laws.

The engagement should not proceed unless the Company Personnel involved are satisfied that it is appropriate to do so. In cases of doubt, Company Personnel should consult the Approval Board and must act as directed by it.



Company may expose the Company to the risk of prosecution.

iii Monitoring: once a third party has been retained to act on behalf of the Company, Company Personnel involved should monitor ongoing activities for any anti-corruption concerns, and report such concerns as may arise to the Approval Board and act as directed by it.

iv Red flags: one of the key aspects of anti-corruption related due diligence and monitoring is the identification of “red flags” that may indicate the potential existence of an anti- corruption problem. Examples of “red flags” are described in Annex A. All anti-corruption due diligence and monitoring conducted by Company Personnel must include an analysis of potential “red flag” issues. Any concerns that are unresolved should be reported to the Approval Board.

v Contractual provisions: all material engagements between the Company and any third party providing services for or on behalf of the Company must be documented in writing. Where practical, the written agreement between the Company and the third party should include the terms set out in Annex B. Further guidance may be obtained from the Approval Board.



Personnel must include an analysis of potential "red flag" issues.

Annex A

Potential “red flags” include the following:

- (i) a request for a payment in advance or prior to an award of a contract or other business arrangement;
- (ii) a request for reimbursement of extraordinary, poorly documented or last minute expenses;
- (iii) a request for payment in cash, to a numbered account or to an account in the name of a different person or the payment mechanism to be utilised is secretive or unusual;
- (iv) a request for payment in a different country, especially if it is a country with little banking transparency or regulatory control, such as an offshore tax haven;
- (v) a refusal to disclose the identity of its owners;
- (vi) the use of a holding or shell company that obscures ownership without a credible explanation;
- (vii) ignorance or indifference to applicable anti-corruption laws;
- (viii) a business or banking referee unreasonably refuses to answer questions or provides problematic answers;
- (ix) the termination of a business relationship by another entity under suspicious or inadequately explained circumstances;

if the third party is subject to credible rumours or media reports relevant to its business ethics.

Annex B

1 The [Third Party] shall:

- (i) comply with all applicable anti-corruption laws and regulations including, but not limited to, the UK Bribery Act 2010;
- (ii) adhere to the Policy, alternatively, confirm that it operates an anti-bribery and corruption policy of its own which is no less stringent than the Policy;
- (iii) not employ or engage a sub-agent, sub-contractor representative or any other party to act on its behalf in connection with this Agreement without the prior written approval of the Company. Any such employment or engagement must be recorded in writing and must impose on and secure from the other party obligations equivalent to those imposed on and secured from the [Third Party] under the terms of this Agreement;
- (iv)

promptly report to the Company (a) any request or demand for any undue financial or other advantage of any kind received by the [Third Party or other persons acting on its behalf] in connection with the performance of this Agreement; and (b) any investigations, allegations or proceedings against the [Third Party, its officers, employees or owners] in connection with corruption.

2

Where the Company has reasonable grounds to believe that the [Third Party] is in breach of its obligations set out in Clause 1 above, the Company shall be entitled immediately to terminate the contract without compensation to the [Third Party] and the [Third Party] shall indemnify the Company for any costs, losses, damages or expenses that the Company may suffer or incur as a result.

Michael J Lonsdale Limited and its affiliates¹ (“the Company”)

PROCEDURES ON GIFTS AND HOSPITALITY, TRAVEL AND ACCOMMODATION

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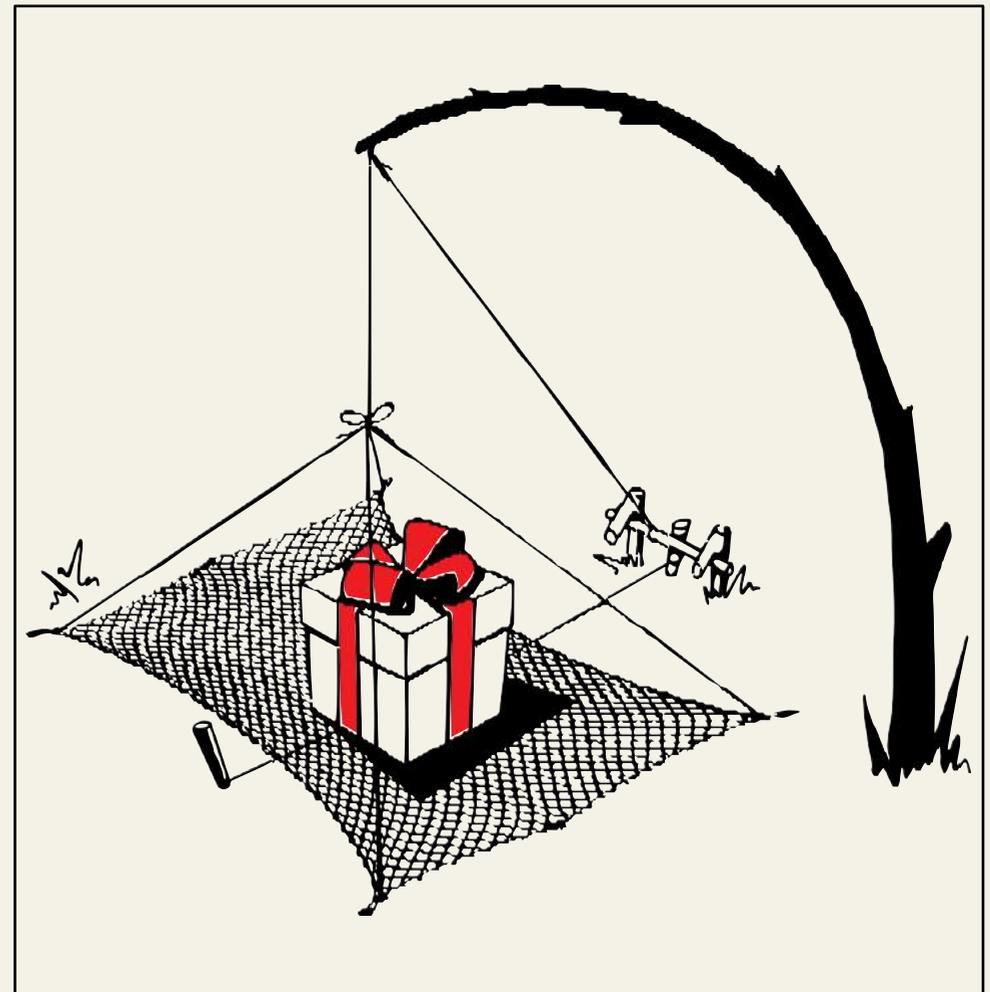
In the UK (as in many other countries) the receiving and giving of gifts and hospitality play an important role in building business relationships, but if they are lavish or extravagant or are frequently provided to the same individual, they may be considered improper (or have the appearance of being improper).

Even the suspicion of impropriety may be immensely damaging to the Company's reputation and the persons involved, so it is very important to ensure compliance with the letter and the spirit of all applicable anti-corruption laws. Importantly, in the UK a bribe is not limited to

a cash payment and will include any financial or other advantage. This may include gifts and entertainment (for example, tickets to cultural or sporting events), travel and accommodation, use of property (for example, a holiday home) or equipment and job offers (for example, an internship or work experience).

Whilst most gifts and hospitality are sufficiently modest in value and in the ordinary course of business do not require prior approval (for example, low value gifts, such as pens, calendars or small promotional items, occasional attendance at ordinary sports, theatre or other cultural events or occasional meals with a person with whom the Company

does business), the giving or receiving of unusually lavish or extravagant gifts and hospitality are prohibited unless prior written approval has been received in accordance with these procedures.



are prohibited unless prior written approval has been received.

1 WHAT GIFTS, ENTERTAINMENT AND MEALS ARE ALWAYS UNACCEPTABLE?

The following types of gifts and hospitality are never permissible and cannot be approved:

- (a) if they are for a purpose other than to build a business relationship or to offer normal courtesy;
- (b) if they are of an excessive nature or so frequent that it would place the recipient under an obligation;
- (c) if they involve the payment of cash or a cash equivalent, unless they fall within one of the exceptions listed in sub section (6);
- (d) if they would create a real or perceived conflict of interest;
- (e) if they are “quid pro quo” (offered for something in return);
- (g) if the receipt of it is not allowed by the recipient’s organisation; if it may cause embarrassment to the Company and/or bring its reputation into disrepute if it were known to others; and
- (h) if they were paid for personally by members of staff to avoid having to report or seek approval which would otherwise be required under these procedures.

In addition, any hospitality at which at least one representative of the host is not present should be avoided; in such circumstances, the hospitality will be considered

“a gift” and subject to the requirement for prior written approval applicable to gifts referred to in these procedures.



Any hospitality at which at least one representative of the host is not present should be avoided.

2 WHAT GIFTS, HOSPITALITY, TRAVEL AND ACCOMMODATION REQUIRE PRIOR APPROVAL?

Significant gifts/hospitality (e.g. entertaining at what may be regarded as ‘elite’ restaurants or resorts or invitations to obviously special sports events (for example, Wimbledon finals)) require additional review so any gifts or hospitality (whether given or received) that exceed the maximum limits stipulated in the table below will require prior written approval by the relevant person(s) listed in the table.

NOTE *These limits will be subject to periodic review and may be amended upwards or downwards. In setting these limits, it does not mean that gifts or hospitality of a lower value to those specified above will not infringe these Procedures or the MJ Lonsdale Anti-Bribery and Corruption Policy, any applicable anti-corruption laws or any customers’, clients’ or business partners’ policies or codes of conduct. In each case it is the responsibility of the member of staff to consider the various issues highlighted in these procedures and the MJ Lonsdale Anti-Bribery and Corruption Policy.*

Table 1: maximum value thresholds requiring prior approval

TYPE	MAXIMUM LIMIT	APPROVALS REQUIRED
Meals (per head)	£150	Approval Board ²
Hospitality packages (e.g. ticket and hospitality in box)	£350 (per head) £3000 (aggregate per event)	Approval Board ²
Non cash gifts (per gift)	£50 (unless they fall within an exception in (vi)). <i>[Note: entertainment at which a host is not present will be regarded as a gift.]</i>	Approval Board ²
Tickets alone (i.e. not part of hospitality package)	£150 each	Approval Board ²
Cash gifts	Not permitted (unless they fall within an exception in (6)).	Approval Board ²
Travel & accommodation	Approval always required unless to be paid in accordance with existing contractual arrangements.	

² Members of the Approval Board are Michael J Hoodless, Group Chairman, and Gary A Herbert, Group Managing Director.

3 HOW DO I OBTAIN THE APPROPRIATE APPROVAL?

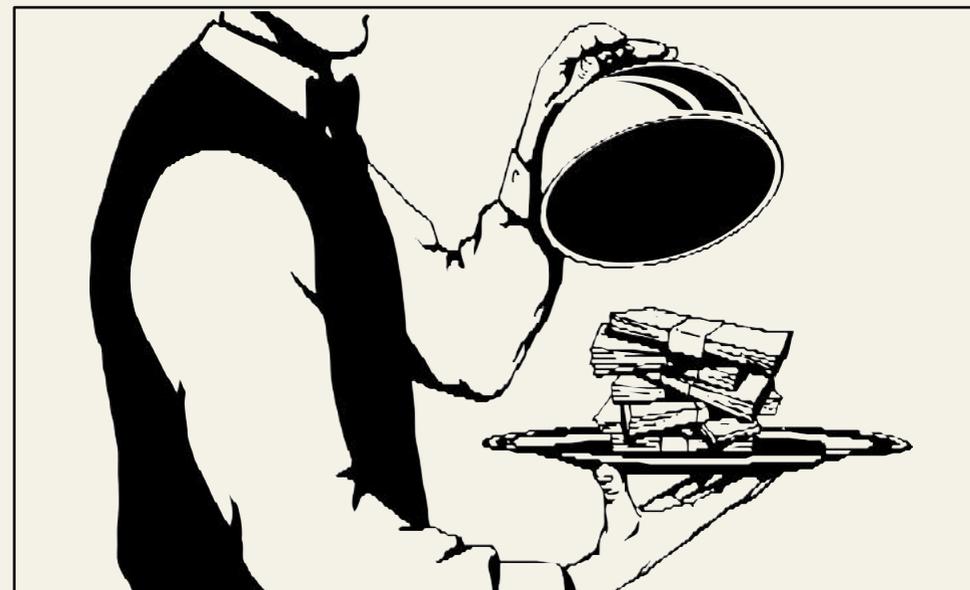
Any approvals required pursuant to the procedures set out in these Procedures may be provided by email or otherwise in writing signed by the relevant approver set out in Table 1.

A copy of any required approval should be attached to [the payment request form/expenses claim form] and sent to the Accounts Department in accordance with the Expenses Policy.



4 WHAT SHOULD I DO IF I RECEIVE IMPERMISSIBLE ENTERTAINMENT OR MEALS?

It is the responsibility of members of staff to try to ensure that they do not put themselves in a position whereby they may receive impermissible hospitality or receive, without consent, hospitality that exceeds the relevant limits specified in Table 1. Members of staff should seek to anticipate these risks and explain the Company's policy to the prospective host. In the event of inadvertent receipt, members of staff should, in the first instance, inform (as applicable) the relevant approver as set out in Table 1.



5 WHAT SHOULD I DO IF I RECEIVE A CASH GIFT OR OTHER GIFT IN EXCESS OF THE MAXIMUM LIMIT?

- Unless they fall within one of the exceptions set out in (6):
- (a) all members of staff must immediately return any gift of cash or cash equivalent, such as a cheque, money order or securities; and
 - (b) non cash gifts that exceed the relevant maximum limit must be reported to the Approval Board who will decide, in consultation with the recipient, whether it should be returned to the donor or, if it would cause offence to decline it, whether it may be:
 - (i) retained by the recipient;
 - (ii) retained for the benefit of the Company; or
 - (iii) donated to charity (or sold and the proceeds donated to charity).

6 WHEN ARE CASH GIFTS OR OTHER GIFTS OVER THE MAXIMUM LIMIT ALLOWED?

- Provided that the following do not give rise to concerns of improper conduct/corruption, the following gifts are permissible and do not need to be approved:
- (a) gifts of a purely personal nature in relation to occasions such as a wedding, birth of a child or retirement provided that the following conditions are met:
 - (i) where given by a member of staff, it must be paid for by the member of staff personally and the Company must not reimburse them;
 - (ii) a personal relationship must exist between the people giving and receiving the gift;
 - (iii) the gift is not given for the purpose of obtaining or retaining business or securing an improper business advantage; and
 - (iv) the nature of the gift must be considered normal and appropriate for the occasion; and
 - (b) family related gifts or bequests.

If in doubt, any concerns should be reported to the Approval Board.

Name: Gary Herbert
Managing Director
For and on behalf of Michael Lonsdale Group

Signature:



July 2019

